GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:794
ANSWERED ON:07.02.2017
CSR Funds
Godse Shri Hemant Tukaram;Maganti Shri Murali Mohan

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has issued any guidelines for PSUs to donate/spend funds under the head of Corporate Social Responsibility (CSR) and if so, the details thereof;

(b) whether any instructions has also been issued to the PSUs to donate funds under CSR head for construction of cancer hospitals/upgradation of hospitals/constructions of shelters for the orphans/old-age homes;

(c) if so, the details thereof along with the funds collected and spent under CSR during the last two years and the current year;

(d) whether PSUs are allowed to undertake CSR activities around their areas of operations and factories only or they can undertake developmental works in any of the backward/rural areas of the country; and

(e) if so, the guidelines issued by the Government regarding CSR work areas for PSUs and private companies both at the State and Central levels?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI BABUL SUPRIYO)

(a) , (b) & (c): After coming into force of provisions on Corporate Social Responsibility of the Companies Act, 2013, all companies, including CPSEs fulfilling threshold limits are required to spend at least 2% of their average net profit made during the three preceding years to undertake CSR activities/ projects as listed in Schedule-VII to the Companies Act, 2013.
No specific guidelines have been issued by Department of Public Enterprises (DPE) to the CPSEs to donate funds for construction of cancer hospitals/ upgradation of hospitals/ constructions of shelters, etc.
As per information furnished by 120 CPSEs an amount of Rs. 2450.31 crore has been incurred during 2014-15 and an amount of Rs. 4100.93 crore has been incurred by 106 CPSEs during 2015-16 for undertaking CSR activities / projects. Details are given in Annexure.
(d) & (e): As per first proviso of Section 135 (5) of Companies Act, 2013, CPSEs shall give preference to the local area and areas around it where they operate for spending the amount earmarked for CSR activities. However, CPSEs may decide to undertake CSR activities in any part of the country, including backward, rural areas of the country. DPE is the nodal Department for CPSEs and the companies operating in private sector do not fall within the purview of this Department.No guidelines have been issued by DPE regarding CSR work areas for CPSEs.
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